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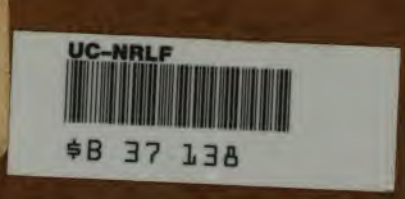

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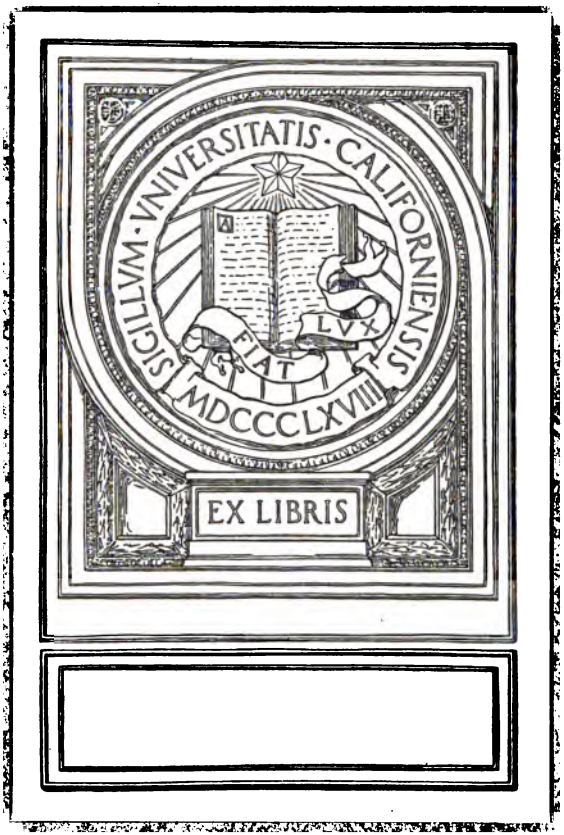

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CAUSE OF, AND CURE FOR,

HARD TIMES.

CONTAINING

A DEFINITION

OF THE ATTRIBUTES AND QUALITIES

INDISPENSABLE IN MONEY

AS A MEDIUM OF COMMERCE;

AND ALSO,

UNIV. OF CALIFORNIA

AN INVESTIGATION OF THE

EFFECTS OF THE BANKING SYSTEM.

NEW-YORK:

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INTRODUCTION.

IN proportion to the weakness of men's minds, they become susceptible of delusions of every kind.

By whatever means the imbecility is produced, whether pristine ignorance, luxury, or superstition, is immaterial, the effects thence resulting are the same.

Human nature, perhaps, cannot form a greater contrast, than between the old Roman republic and the modern dealers in beads and catgut, who disgrace the same ground.

It staggers modern credulity to believe that men could ever be so gulled or infatuated, as to multiply their fancied deities, so as to assign guardians to the seas, forests and brooks. Well might they, who worshipped the deity of a brook, pay their adoration to the sun; and the first step being taken, the earth was soon covered with deities, so that, at length, bulls, cats and onions came to be worshipped. To do this, men must have been devoid of the least mite of reason and common sense, yet the superstitious enthusiasm that still prevails in some countries, is quite as ridiculous, and continues a badge of spiritual tyranny on the one hand, and slavery on the other, which infinitely surpasses all the fabled superstition of pagan Rome. But in these states, in this enlightened age, we boast of our liberality, and of having divested our minds of all such superstitions and prejudices. It is sufficient for us to swallow bank transubstantiations of property; and yet our infatuation falls little short of the before-cited phrenzy, when we can really believe that the wealth and power of a nation, to be truly and substantially expressed and represented by scraps of paper, which are so far from be-

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ing property, or the true signs of property, that they signify nothing but imposter on the one hand, and credulity and folly on the other, which may be annihilated by the most trifling circumstance—even one breath of suspicion would destroy millions in a moment. While we ridicule ancient superstition we have an implicit faith in the bubbles of banking, and yet it is difficult to discover a greater absurdity, in ascribing omnipotence to bulls, cats and onions, than for a man to carry about a thousand acres of land, with a mansion-house, out-houses, &c. in his pocket-book, which is, nevertheless, done among us every day, with great self-complaisance and security. And though we laugh at him, who, putting a wafer into our mouth, cries *Hock est corpus*, we have no suspicion of the bank juggler, who, putting some slimsey bits of paper into our hands, tells us it is a freehold estate, a house, or a fine ship of five hundred tons.

This gross bubble is practised every day, even upon the infidelity of avarice itself; this rather exceeds than falls short of ancient illusions, because the objects it converses with are sensible and more open to detection. So we see wise and honest Americans, of the 19th century, embracing phantoms for realities, and running mad in schemes of refinement, tastes, pleasures, wealth and power, by the soul aid of this *hocus pocus*. When we contemplate paper gold, and paper land, and paper houses, and paper revenues, and paper government, we are apt to believe the fairy tales of Gulliver, and the Arabian Nights, as grave relations of historical facts.

Indeed, we live in an age that resembles neither the gold, silver or iron ages of the poets; but may, with an emphatical propriety, be called the paper age, and the name fools-cap becomes infinitely more appropriate.

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CHAP. I.

A definition of the attributes and qualities Indispensable in Money.

THE barter of commodities, or communication of the fruits of industry, constitute the essence of commerce.

In the present state of society the partition of employments is almost infinitely diversified, and the fruits of well directed industry, or things necessary and useful in life, are what only can be called wealth.

In establishing a mutual exchange of these, the first thing necessary is a standard of computation, or common measure, by which to estimate the several commodities that may be offered for sale, or may be desired by purchasers. This standard, or common measure, called money, must be something well known to the parties and of general or common use.

It appears, in remote antiquity, that in the early stages of society cattle were the first things made use of as a standard, but from the disproportion of size and fatness, measures of corn, wine and oil soon succeeded, the first of these being the least liable to variation is, of all others, from its nature, more intelligible and unalterable than any money that ever was, or ever will be made. The great alteration in the value of gold and silver is well known to the historian, and is also known to many, by memory, in this country since its first settlement. But after a standard of computation had been agreed on in commerce of the most moderate

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extent, something farther is absolutely necessary. The actual and immediate barter of commodities could in few instances take place. A man might have the thing I wanted to purchase; but he might not need, or desire, the article I was willing to give for it; another might want what I had to spare, but not have what I wanted to purchase with it; besides, bulky articles could not be carried about with convenience or safety. Therefore, it became very early necessary that there should be some sign or signs agreed upon to represent the absent commodity, or rather should represent the standard of computation in all its divisions and multiplications. These signs must be such as could be easily carried about, and therefore could be readily applied to every transaction connected with the commutation of property.

These signs are in the nature of a tally—that is to say, they are intended to mark and ascertain a fact. Now the fact is, that the person who can show these signs, having purchased them by his goods or industry, is entitled to recieve from somebody a certain value to a certain amount, which they specify of the standard of computation.

These have always references to the standard of computation, and, at last, by that known reference, the distinction between them and the standard is lost, and they become a secondary standard of computation themselves. Thus a piece at first to be the value of a measure of grain, but at last men come to make their bargain by the number of pieces, instead of the number of measures, using the sign for the thing signified. Thus, also, an ideal measure, generated by the other two, comes to be a standard of computation; as the pound was formerly the money unit, though there was no coin precisely corresponding to it. Thus during the

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revolution, in the years 1777 and 1778, paper being, as now, the only circulating medium and greatly depreciated, and legislatures, at that time, retaining some sense of honor and honesty, made several attempts to institute rules by which the just value should be ascertained; but finding, by experience, that their efforts were fruitless, the people resorted immediately to the original standard of measures of grain, that being the best alternative; and this mode of computation determined the value of silver and gold themselves and was practised in many of these states for some years after the total annihilation of paper circulation, and I am informed that it begins to be resorted to again in some sections of the country.

Thus it being proved, by the experience both of ancient and modern times, that all men resigns labor under material defects; that they ultimately depend on the faith and credit of the persons who are answerable for them. Now whether these are individuals, chartered companies, or even the ruling party of a nation, they are attended with the greatest uncertainty. Therefore something farther is necessary to make a complete symbol or medium of commerce, that is, a pledge or standard of value that may be a security or equivalent for the thing given for it, and at all times and in all places, especially in the same country, be sufficient to purchase a like value of any thing that may be needed by him that holds it. An absent commodity well known, or even an idea well understood, may be a standard of computation and common measure; any thing may be a sign, and since writing has been known it has been used. It is, however, totally defective; there is a total want of value in paper, that shall give, not only a promise or obligation, but actual possession of property

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for property. Whatever may be made use of that fall short of this is totally unfit for a medium of commerce.

It has been found by experience, that in gold and silver are united all the qualities requisite for such a standard—they form the great desideratum. It cannot be denied that they have been used for this purpose, in the earliest times, and through every nation in the old world and also in the new. The truth is, that they alone possess, and in a superior degree, all the qualities necessary for a standard computation: this will more fully appear, by examining more minutely what qualities a medium of general commerce ought to possess. It ought then to be, 1st. valuable—2d. rare—3d. portable—4th. divisible—5th. durable—6th. equable. Whoever will examine the matter, with attention, must perceive that any one of these qualities being wanting, the system would be ruined.

1st. "It must be valuable in itself; that is, it must have an intrinsic value, or worth, in substance distinct from form." By value or intrinsic worth here, must be understood precisely the same thing that gives to every other commodity its commercial value: This is, their being either necessary or remarkably useful for the purposes of life, in a social state, or supposed to be so, and therefore the object of human desire; without this it could be no more than a bare sign, nor indeed so useful in this view as many other signs. But we want something that must not only be a standard of computation, but a standard of value, and therefore, capable of being a pledge and security to the holder, for the property or labour he has exchanged for it. Gold and silver have intrinsic value, as metals, because from their ductility, durability and other qualities, they are exceedingly fit for domestic utensils, and many other purposes in life; this was the foundation of their use, as a

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medium of commerce, and was inseparable from it; a clear demonstration of this arises from their being weighed in the earliest times, before they were divided into smaller pieces and passed by tale, and their value determined by their bulk or quantity proportionably. This circumstance as a sign made them worse; but as a valuable metal made them better.

The same thing appears clearly from the practice of modern times. Even when they are taken under the management of the rulers of society, and stamped under various denominations, there must be an exact regard had to their commercial value. The stamp upon them is the sign; the intrinsic worth of the metal is the value. It is now found, and admitted by every nation, that they must give to every piece that denomination and value in legal currency, that it bears in bullion, and if any do otherwise, their is neither force nor authority sufficient to make it pass.

2d. That it must be rare, will be more fully illustrated hereafter. Permit me, however, here to observe, that the medium of commerce must not only be so rare as to bring it within commercial value, in ordinary cases, but it must be much more rare than most other things, that its value may be increased, and a small quantity of it may represent goods of considerable variety and bulk. If gold and silver were only twenty times as plentiful as they were before the establishment of bank monopoly, they would still have a proper value; could be bought and sold, and be applied to many useful purposes, but would be twenty times as unfit for a medium of commerce, or indeed totally unfit for general circulation.

3d. The circulating medium must be portable. It must be capable of being carried to a distance with little trouble or expense, and of passing from hand to hand with ease and expedition.

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4th. The medium of commerce must be divisible; this is necessary to answer the division of many commodities, and to the convenience of people of different circumstances in life. It is of such importance, that, in the calculation of a complex and diversified commerce, we find divisions and fractional parts, even of the smallest coins that have ever yet been brought into general use.

5th. The medium of commerce ought to be durable. This quality is necessary; first, that in passing continually, from hand to hand, it may not be broken or wasted; and, secondly, that if it is preserved, or layed up, as may be sometimes necessary, desirable, or profitable, it may not be liable to be speedily corrupted or consumed.

6th. Equible—that is, these metals are said to differ from most, or all others; they, in their virgin state, are exactly the same whether found in Asia, Africa or America. This, in an eminent degree, fits them for a medium of circulation, and is an attribute, belonging to no other production of nature, that we are yet acquainted with. It is plain, therefore, that there is nothing yet known to mankind, in which all the necessary qualities, in a medium of commerce, are so fully united as in silver and gold, and this is the true reason why these metals have been applied as the instruments of commerce, since the beginning of the world, or as far back as history enables us to penetrate.

It is a fact that will not be contradicted, that gold, silver and brass, or rather copper, were the most ancient metals, and all of them antecedent to iron. These metals beings, applied to all the purposes of life, came of course to constitute a great part of the wealth of the people of ancient times. Brass being one of the metals earliest known, was made use of for money by ancient

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nations. Its being now left out, in a great measure, is on account of wanting one of its very necessary qualities, viz. variety. That it was used for money among the Hebrews, is evident; for we read of gold, silver and brass, being brought as contributions to the tabernacle in Moses' time, and to the building of the temple in the time of David.

That brass was made use of as money, in the early times of the Greeks and Romans, evidently appears, both from history and from the language of both nations; for there it is made use of to signify money in general. That it ceased to serve that purpose afterwards must have been on account of its abundance. It can be accounted for in no other way, as the disuse of it is just as universal as the use of it was formerly.

It is also evident from history, that all these metals were estimated and passed by weight. We are told in Genesis, that Abraham gave to Epron for the cave of Machpelah, four hundred *shekels* of silver. The Greek money was of different weights, from the lowest sorts to the talent, which was the largest. The old Roman word *Pondo* was, as it were, the standard, and the divisions of it, constituted their different denominations.—From this we seem to have derived the word pound.—It was not long, however, before they came to have either coins, or, at least, small pieces reckoned by number. Abimelech gave to Abraham, as Sarah's brother, one thousand keseph; and Joseph was sold for twenty keseph. As the word keseph is said to signify silver, they must have been reckoned by tale, and are probably very justly translated pieces. Antiquarians and historians tell us, that some barbarous nations have made use of baser metals: such as lead, iron, tin, &c. also leather, shells, bark of certain trees, &c. and we know in

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these days, paper, far inferior in many respects to the worst of the former, is made use of for money. Some nations might, indeed, use lead, iron, &c. upon the same principles as others use gold and silver, but all this is using the sign separate from the standard, and that enlightened Americans should be imposed on by bank paper, worse by far than savage trinkets, shocks all common sense.

I think the above definition will enable every intelligent person to determine what is, or ought to be, the meaning of the circulating medium. This phrase is in every body's mouth, and we frequently meet with it in speeches, in legislative assemblies, and newspaper publications.

This pretended want of a circulating medium has been successfully urged in favor of the banking system, than which nothing ever was, is, or can be more false. It never was believed by those who urged it in favor of banks, nor by those who granted their charters, if they possessed common sense, and the least share of information. Those who did, or do believe it, must be totally ignorant of the meaning of the expression. The circulating medium is not yours or mine; it is not the riches of Peru or the poverty of Lapland. It is that indefinite quantity of the precious metals made use of among the nations connected in commerce. Whether any particular person, city, or nation, is rich or poor--has more or less of it comparatively, is nothing to the purpose. Every one ought, and will receive, of the circulating medium, that quantity which he is entitled to, by his property or industry, unless it is diverted from its natural channels by the knavery of banking legislatures, which is the case in this country, as will more fully appear hereafter. It has been shown that rarity is one of the attributes of a circulating medium,

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If there were nothing but gold and silver in circulation, a less quantity would be sufficient to represent a stated measure of property, and the more plentiful it is, the greater is the quantity necessary to represent the same property or commodity; but the comparative riches or poverty of the person, city, or nation, would be the same. I well remember the time when I could purchase a bushel of wheat, in Dutchess County, for three fourths of a dollar, for which I must now pay two dollars. Was not six shillings then as good as sixteen now? and was not the man just as rich who had it in his possession? It would be easy to point out countries where there has been a greater quantity of the circulating medium, even in gold and silver, than any where else, and yet, at the same time, greater personal poverty, and also public want, and undoubtedly for the same reason.

It is well known to the historian that the troops of Philip second, of Spain, mutinized in Flanders, for want of pay, and plundered the city of Antwerp, when America and the East-Indies are said to have furnished him with inexhaustable resources. What does it signify to the day-laborer, that he gets eight, or even ten shillings per day, when it will scarcely purchase provisions sufficient to prevent himself and family from perishing? Are not these things true? Are they not known to be so? Are not gold and silver a circulating medium of universal currency? Are they too scarce for the purpose when the trappings of a banker's horse, or the collar of a favorite dog, is ornamented with more of these precious metals, than furnished out the stadtholder, nobility and army, of the seven United Provinces, for the whole forty years that they were struggling against Spanish tyranny. I have only to observe, in this place, that my reader may be like myself, a very poor man;

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we want property, rents, resources and credit; but we may rest assured that bank notes will never bring relief, but increase our poverty and consequent misery.

If every man could with facility obtain the necessaries of life, and, obtaining them, feel no uneasy cravings after superfluities, temptation would lose its power, private interest would accord with public good, and numerous crimes would cease. The greatest impediment to such a state of things is, in most countries, the irregular transfer of property, either first by violence, or secondly by fraud, and made perpetual by laws of primogeniture. The first and last of these being unknown in these states, we might suppose that the inordinate desire of individuals to possess themselves of the substance, or property of another, by means inconsistent with justice, would undoubtedly be restrained, nay prohibited, and fraud only known by report. Society comes recommended to us by its tendency to promote our happiness, but most of the miseries of our species may be traced to political institutions as their source.

In a government originating as ours has, and where all its force and authority is delegated temporarily by the people to their representatives; it would be natural to conclude, that all its laws would be predicated upon the eternal, unchangeable principles of justice and equality, which flows from nature, and which alone can be the infallible guide and foundation of civil law, and all that can be right and excellent in government. All exercise of authority ought to be in exact conformity equal justice, and must have for its object the felicity of all under its control, to entitle it to respect and obedience. Public happiness, therefore, is the only motive why authority should be exercised, and why the will of the legislature should be obeyed and respected. When laws prove to be contrary to public good, or partial in their

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operation, they should cease to bear the sacred character of laws, and have no respect paid to them.

The public felicity is, nevertheless, so inseperably connected with the observance of order, that it is advisable, nay necessary, that the ruled bear patiently, a temporary inconvenience, and pursue the most gentle means for the redress of grievances; yet there is such a thing as a laudable jealousy on the part of the governed, which should keep pace with the situation of public affairs, which aims at an inviolate enjoyment of our natural and political rights. Every good citizen will not be incessant, but prudent, in his endeavors to seek a happy change in every thing that has not a benign influence on public happiness, and none should be more vigilant, ready, or willing for such a change, than men bearing authority who have power to rectify what is improper. They should anticipate wrongs and administer redress when any public measure has taken place which is incompatable with public good. Is it not for this very end that power is delegated to them? Men of true wisdom are always sensible of their own fallibility—the guardians of the laws should be first to discover their defects. It is no disgrace to any government to rectify abuses; it is, on the contrary, a circumstance not altogether honorable to the understanding, or the hearts of rulers, if grievances are continued; but there is no epithet strong enough to convey the idea of detestation and abhorrence which that government deserves which persists in increasing and perpetuating them.

The right of acquiring and holding property obtained by virtuous industry, free from the invasion of others, is next to that of liberty, the most sacred. Any infraction of this right ought to be immediately repaired and the injured restored to the full enjoyment of this right.

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and the transgressor punished in exact proportion to the injury done.

From what has been said, we may form ideas of the justice of laws, and the duties of government, in carrying those laws into execution, so as to render equal justice to every man.

But it does so happen that government does not always abide by those maxims. They lavish favors with an unsparing hand on one part of the community and withhold them from the other part. They grant to bankers the power to pass paper instead of gold and silver—thereby to increase their money, to any amount they please, by their notes. They are thereby enabled to obtain a great deal more than their proportion of the products of society, and the other members of society must go without them—hence arises their poverty and misery. The inequality in the laws is a perversion of the laws of nature, and totally repugnant to the principles of equity, which nature ordained for the harmony of her works. The following considerations may further elucidate the subject. It is a fact, than which nothing is more certain, that the prices of every article of commerce is determined by the quantity of money in circulation. Suppose, for instance, that the city of New-York contains twenty thousand families, with an income of one dollar per day each; it must be evident that the whole amount purchased on any one day could not exceed twenty thousand dollars, for the purchasers could pay no more money than they had. The sellers could therefore get no more; the quantity of money determines the prices, and the money buys all. The amount of every day's sale would be twenty thousand dollars, (Sundays excepted); the whole amount of the year would be about six millions two hundred and sixty thousand dollars. But suppose the quantity of money

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to be varied, and each family to have three dollars, instead of one, per day ; then the prices of the articles sold on any one day would be trebled ; they would sell for sixty thousand instead of twenty, and the whole amount of the year would be about eighteen millions seven hundred and eighty thousand dollars. If the quantity of commodities in the market remained the same, the prices must have experienced a three-fold increase ; for what other use can be made of money than to purchase commodities. If the increase of the one does not keep pace with the other, the effect is sure—either the prices of commodities must rise or the money remain useless.

The experience of the whole civilized world demonstrates that the quantity of money in circulation produces the effects before-stated. I would ask, what other reason can be assigned, for the great increase of prices of the productions of society in Europe, immediately after the discovery of America, than that it was the immense influx of the precious metals plundered from the Spaniards? Every man that knows any thing, knows that the prices, or raise of the market, depends on the quantity of money which is brought into it. Money is like every other article of commerce, when there is an abundance of any article, it will be low ; when scarce, it will be sought after and be high. These circumstances alone, determine the value of gold or precious stones ; the diamond would be less valuable than marble, and gold than iron, were they obtained in as great abundance.

Why do we complain of the high prices of provisions? It cannot be in consequence of scarcity that prevents us from having as great a share as our wants require. If we could increase the quantity of our money at pleasure, we would be able to obtain as

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great a quantity and variety as we could wish ; but as there is but a limited quantity to increase our share, it must be taken from some other person, who surely wishes to retain what quantity he has, so that it becomes impossible. If every man had it in his power to increase his money at pleasure, every man would keep pace with his neighbor ; this would be the same as bidding at auction—the price would rise in proportion to the money offered, as was the case with butter, pork, &c. some few years past. The value of money will always be in proportion to its quantity. It frequently happens that those who increase the quantity of their money, do not always increase their consumption; but this does not alter the general effect of such increase ; no man locks up his money or buries it in these days. He either uses it himself or lets it to another ; the borrower would not take it if he did not intend to make use of it—and as the only use of money is to purchase commodities or labor, and that part paid for labor goes to the purchase of commodities, it is evident that it must ultimately come to market ; through whatever number of intermediate hands it may pass, it must produce the same effect, of adding to the quantity, as if the fabricator had increased his own consumption.

If it is admitted that the issuing of bank notes has enormously increased the money circulation of this country ; it must also be admitted, that this increased circulation has been the means, and real cause of increasing the rates of provisions to their present exorbitant prices ; for the former is not more evident than the latter, and such being the case, it must be no less evident that the bankers rob every other man in society, by circulating their notes, the same as they would by taxing them, or by stealing their money out of their pockets !

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What difference can there be between inhancing the price of my bread and lessening the value of my labor. A man sustains the same injury, by having the value of his money reduced, as by having a part of it stolen. But the iniquity of banking may be rendered still more obvious by the following considerations.

That every man will be able to obtain a share of the productions of society, according to the quantity of his money, is most certain. Therefore, as the amount of his money is increased, he will increase his share of the fruits of labor; and as the fruits of industry, in any country, are limited, what is added to one man's share must be taken from another; consequently, the increasing the quantity of money in one part of society, must produce the same effect as taking it from the other.—The banker having it in his power to increase the quantity of his money, at pleasure, it has the same effect as taking so much from the other part of the community. Suppose that the whole productions of society were divided into one hundred thousand parts, among the inhabitants, in such a proportion that a day laborer should have one part, and he that has ten thousand dollars should have ten parts, and every other person a certain number of parts, according to his income. If, then, a number of these laborers were to increase their money, by bank notes, to ten thousand dollars each, they would be enabled to procure, or command, ten times the quantity they did before. But where are the additional parts to come from? must not a new division take place, and a portion be taken from every one of the parts, into which the commodities were before divided, in order to make up the additional number? Most certainly.

Therefore, if every man in society had been robbed of a part of his money, he would not have sustained a

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greater injury. If the additional sum had been fabricated by those who had the greatest share before, instead of the laborers, the effect would be exactly the same, though perhaps more injurious to the poorer class.

If the money be increased, it is immaterial whose possession it is in; the property must be divided into an additional number of parts, to correspond with the additional quantity of money.

Therefore, those men who increase their money by issuing bank notes, might, with as much justice, put their hands into their neighbors pockets and steal a part of their money.

It is a fact, in which all men will agree, that every member of society has a right to a share of the productions of society, according to his industry or money. But when a part of the society are permitted to increase their money at pleasure, by issuing paper, instead of gold and silver, how can he enjoy that right? The banker makes, out of one thousand dollars, ten thousand dollars if he pleases.

Again, we will suppose that all the productions of a country are divided into two equal parts, and that the inhabitants of this country are equally divided, and each part have an equal property; then suppose one part to double the quantity of their money by issuing bank notes; then that part of society would be able to obtain two-thirds, instead of one half, of the productions; consequently the other part could have only one third instead of one half. If the first part were to treble their money, then they would be able to obtain three-fourths of the productions, and the other only one-fourth, and continue in that proportion, according to the increase of money in that part of society. We will further suppose that all the purchasers in market

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are one hundred, and each of them comes with an equal sum of money; then each ought to have an equal share of all the commodities; but if fifty of them are bankers and find they can make a profit, they double their money by issuing their notes; they can then purchase two thirds of all the commodities—consequently, the other fifty, who are no bankers, can have but one third, or one third less than they would have had, if there had been no bankers, or if they had not increased their money.

The bankers, therefore, might as well have robbed them, at the beginning, of one half of their money, for, in that case, they would have been able to purchase one third of the commodities, instead of one half, and they could purchase no more after the bankers had doubled their money by their notes.

The whole nation are purchasers in the market; it is, therefore, clear, that the bankers rob every other part of the community or nation, as certainly, by issuing their notes, but with more ease and safety, as by stealing or by force, compelling them to give up a part of their property or labor, and that abandonment of principle in legislatures, in authorizing the fraud, might, with the same propriety, authorize force.

Gold and silver, as has been before shown, are the productions of nature; possessing, in a supereminent degree, all the qualities requisite for such an important purpose, as the standard of justice in commercial exchange of property. As such a medium, it has been used from time as remote as history reaches, and was taken under the direction and guardianship of the rulers of society, and coined into money at Argos, nearly nine hundred years before the Christian Æra. Their qualities and weight were determined by the nicest principles of equity. All nations of the earth have been

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extremely careful that their money should not be adulterated; they have uniformly punished counterfeiters with death, so that every man should be secure in his right to the productions of society, in proportion to his money or his labor. Hence it became the true representative of labor.

But what is the use now of their wise and honest laws? while particular men are permitted to encrease their money by means of bank notes? Does it require more labor to fabricate a note than to coin false money? a counterfeit dollar cannot possibly be fabricated, in a state of perfection, sufficient to make it pass, short of twenty-five cents, in precious or pure metal; whereas, the banker will fabricate one hundred dollars with less expence; do not, then, the bankers enjoy the benefit of labor and the fruit of fraud, without laboring themselves, or running any risk of that punishment which fraud deserves? They rob the laborer as effectually of the fruits of his industry as the coiner could do. It has been remarked, that the coiner receives immediately the whole amount of all the pieces he puts in circulation, whereas the bankers receive only a part; but it will appear, by a strict examination of the case, that the difference is by no means in favor of the coiner, on the scale of profit, but the reverse.

It was stated by Gov. Tompkins, in his speech, at the opening of the session of the legislature in 1812, that if the bank capital, then about to be solicited, was granted, in addition to what had been before granted, it would enable the bankers to contract debts, or in other words, legally to issue their notes to an amount sixteen times greater than the whole specie capital of the state.

Although the immovable patriotism of that man, seconded by a few worthy adherents, at that time prevented the grant, it was beyond their power to remove

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the golden charm; it may be seen, by the records of subsequent legislatures, that bank capital has been extended to an amount equal to what was then solicited. This being the fact, a dollar, in bank notes, cannot be worth more than six pence, or one sixteenth of its nominal sum; all above six pence must be ideal and totally visionary. The expence of materials and fabrication cannot exceed one cent on a dollar, and the banker receives, annually, about ten cents interest, at common discount, for seven pence principal, and as he can vend his paper without restraint or risk, it is evident that the advantage of the banker is vastly greater than that of the coiner, for the banker, in reality, realizes the whole amount and more, the moment it passes from his hands, or at least in one year, for a redemption in specie generally, at more than six pence on a dollar, is an impossibility.

As the bankers of Gloucester, in Massachusetts, set an example, some years ago, which has been followed by Messrs. M'Keon & Cheesman, in this state, for the redemption of their notes; the facility and convenience of which will, undoubtedly, recommend it to the adoption of others, whenever a general demand shall be made.

But whatever difference there may be in the profits, the injury, to the public, is the same; for, provided an additional sum is brought to market, whether the fabricators reap all the profit at once, or from time to time, or whether they share it themselves or divide it with associates, a certain proportionate rise must necessarily take place in the prices of the necessary articles of life or trade, and though the banker should make but 1000 dollars, by the emitting 10,000 dollars in bank notes, yet the whole 10,000 dollars is brought to market—the prices of commodities will be raised in the same propor-

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tion as the ten thousand dollars bears to all the money before in the market, or in circulation, and, of course, the other members of society must be as much deprived of their property or the produce of their labor as they would have been by the circulation of an equal sum of counterfeit money. In fact, the whole sum of bank notes are a deception; they are false and a counterfeit—and that majority in legislatures who have authorized them, a band of mercenary swindlers, bought in and leagued with individual companies to rob the industrious poor and fatten on the spoil.

Is it, then, surprising, that the laws should regard seemingly different professions, so very differently, that while it sends the poor man to the state-prison for life, (who may be actually in distressing want,) it permits the rich man, or banker, to fabricate millions with impunity! It may, perhaps, be asserted, that there is a farther difference between banking and coining, that the one robs the individual, and the other the public at large. Admit it to be so; sure it is not saying much in favor of the banker.

But it is by no means always the case; for the money of a skilful coiner circulates in the same manner, and produces the same effects, as bank notes do; and whenever the bank fails, the individual is robbed as well as the public. Ask those who hold Gloucester, M'Keon & Cheesman's notes, and let their individual answers settle the question. Failures of banks frequently happen, and the calamity may become general, for their solvency depends solely on the confidence that is placed on them; the least suspicion would infallibly run every bank in the country; in this respect the analogy between bank paper and counterfeit coin is strongly marked. As long as false coin is not suspected, it passes as

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the true ; but the moment suspicion arises the cheat is at an end, and the possessors must be loosers. This is exactly the case with bankers ; general suspicion would overset them all : and more individual injury is annually sustained by the total failure of some banks, and the depreciation of the notes of others, than has been sustained by false coin since the settlement of America.

Of what consequence are laws against monopolizers and forestallers. The law establishing a bank is a law establishing a monopoly, granting to bankers a privilege to monopolize the very sinues of all commerce, to take all legitimate money out of circulation, and to substitute false promises, expressed on scraps of paper, in its place, and may also circulate ten or twenty times the amount in their notes that they have specie to pay ; they may thereby receive a hundred per cent. on their real capital, instead of seven, which is lawful interest.

What is the use of laws against monopoly, but to prevent individuals from engrossing the necessaries of life, and thereby compelling the necessitous to pay an exorbitant price. It is in consequence of the banker being enabled to emit large sums in paper, that large sums can be obtained for speculation and monopoly, and it is only making paper pass for gold and silver that large sums can be obtained. There is but a limited quantity of gold and silver in any country ; it cannot be increased at pleasure, to suit the convenience of the speculator, as the paper can.

While this is the case it will be impossible to prevent monopoly ; so long as we permit men to increase the quantity of their money by means of paper, all articles of the first necessity will bear an exorbitant price. In vain are the fruitfulness of our seasons ; in vain are the bounties of nature overflowing our country. The

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pious and thankful heart which has been pouring out its gratitude to the Beneficent Dispenser of all good, for causing the earth to overflow with fruitfulness, and felicitating itself with the cheering hope that a comfortable supply might fall to his lot, which the pretended scarcity of former seasons prevented him from enjoying. But, alas! the avidity of the monopolizer is sharpened, and increases with the quantity of productions, and the hopes of the labourer is disappointed. Every necessary of life is as far beyond his reach as ever; the fruits of his labor must first pass through the hands of the monopolizer, to be dealt out to him in quantities proportionate to his money, at fifty or a hundred per cent. advance.*

* To consider merely the present order of human society, it is evident that the first offence must have been his who began a monopoly, and took advantage of the weakness of his neighbors, to secure certain exclusive privileges to himself.

The man on the other hand, who determined to put an end to this monopoly, and who peremptorily demanded what was superfluous to the possessor, and would be of the greatest benefit to himself, appeared to his own mind to be merely avenging the violated laws of nature and justice.—The plausibleness of this reasoning, beyond a doubt, is the original cause of all the crimes in the world. The fruitful source of crimes consists in this circumstance—one man's possessing in abundance, of that which another is destitute, and we must change the nature of mind before we can prevent it from being powerfully influenced by this circumstance, when brought strongly home to its preceptions by the nature of its situation. Man must cease to have senses; the pleasures of appetite and variety must cease to gratify, before he can look tamely upon the monopoly of these pleasures. He must cease to have a sense of justice, before he can clearly and fully approve of this accursed prostitution of legislative power, which fosters and supports such a scene of superfluity and distress.

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It is evident, therefore, that the banking system renders the laws against monopoly equally ineffectual with those against counterfeiting and usury. Thus we pull down with our own hands the only partition and barrier, that divided and secured every man in the fruits of industry; under such an order of things, we might be led to conclude that laws are made rather to regulate, systemize and encourage, than to suppress fraud and robbery.

We are frequently insulted by being told, by our wooden-headed and rotten-hearted legislators, that the robberies committed by bank notes differ from all others, that they tend to enrich the nation. Admitting that to be the case, (though palpably false) and that such a thing were desirable, still it is not less an evil to them who are robbed of their property, or of the fruits of their labor.

Enriching the nation, as it is called, is by no means desirable. Such a wish can only originate in narrow, perverted minds, who wish to represent the nation in their own characters, and obliterate the history of all others, and by forming their judgment by the deceptive appearance that riches produce. Riches appear to bring many conveniences to those who possess them; they therefore conclude, that a nation increasing in wealth must, consequently, increase in happiness, than which nothing can be more false and absurd, since it is as impossible for one part of society to grow rich without making the other part poor, as for one arm of a balance to be raised without depressing the other. Had all men an equal property, all would have an equal share of the productions of society, and all would be obliged to labor alike, of course there would be neither rich nor poor. Riches, therefore, is merely a comparative term. The rich are only those who can com-

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mand a greater share of the productions of society, than falls to the share of the common people; and as the number of the wealthy are increased, so will the poverty of the others increase. In exact proportion as the luxuries of one part of the community are increased, so must the comforts of the other part be diminished, and if it does not tend to lessen the number of inhabitants, it augments the number of poor. I know a town, in the vicinity of New-York, that, twenty years ago, had but one person in it who required any assistance from the public; the same town, though very little increased in population, has increased their poor an hundred fold. No person who will take the trouble to examine the Poor-House books and Soup-House bills, and other institutions for the relief of the poor, will entertain a doubt that the increase of poverty and distress has kept pace with our riches, or paper money.

In the New-England states the effects are the most conspicuous, because they are more populous, and their paper systems, heretofore, far the most numerous; besides the increase of their poor, thousands are compelled to emigrate to the western wilderness in a most forlorn condition, to make room for their more wealthy neighbors. In fact, an amount equal to the whole active capital of the states is vested in banking companies, turnpike companies, or some other chartered companies, and the whole of them leagued against all honesty—many of the judges of their courts openly engage in shaving notes. But we need not go abroad for examples of knavery, or the effects of paper money; do we not see a considerable part of this city taken up by those who have thus enriched themselves, from which mechanics and other useful citizens are driven forever? Such has been the necessary consequence of suffering men to increase their money, by means of bank notes

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and similar means, that they have been thereby enabled to engroce so large a share of the productions of society, as have either reduced those to beggary, or forced them to emigrate, who have had no such means of increasing their incomes.

The effects of this accursed system, of making paper pass for gold and silver, has been so artfully disguised, that little attention has been paid to it by the community at large. The evils, thence arising, have been designedly attributed to other causes, purposely to conceal the real ones.

In England it has been attributed to the taxes, and in this country to commerce, and that commerce has been the cause of the great rise in the prices of the productions of society; but on examination it will be found a falsehood.

Were all taxes levied on income directly, they could produce no effect whatever on the prices of commodities; for, as the prices must depend on the demand, and as every man's demand rests with his income, the whole demand, or the prices of all the commodities, must likewise depend on the sum of all the incomes. A tax, therefore, merely alters the distribution, without altering the sum of the income of a state, as is the case with a direct tax; or income could never vary the prices of commodities, nor the demand for commerce could never raise the prices. Consider for a moment the state of our commerce; Europeans rival us in our own markets, in some of the staple commodities of our own soil. The immense quantities of pork, beef, butter, &c. which are annually imported from Europe, and sold in our markets, proves the falsehood of that allegation. The rate of the market, as has been before observed, does not depend upon the number of purchasers, but on the quantity of their money, while that and the quanti-

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ty of commodities remain the same, without variation; the prices will inevitably be the same, whether the purchasers be few or many in number, or however unequally the money may be divided among them.

If, for example, the number of buyers in the market amounted to one hundred, with twenty shillings each, all the commodities must be sold for one hundred pounds. If, instead of one hundred, with one pound each, fifty had gone with two pounds each, or if a tax had taken five shillings from one fifty and given it to the other fifty, it would make no alteration in the prices of commodities in the market, for the sellers could only get the hundred pounds.

Suppose, that in a nation where all the incomes amounted to one hundred millions, the government should levy a tax of ten millions; it would be evident that every man's income would be lessened one tenth. If, therefore, the quantities of commodities remained as before the tax, the prices must have fallen one tenth, or the commodities remain unsold; but if the ten millions taken from the whole, were added to the incomes of a few, the whole amount, or aggregate income, would be restored again to one hundred millions, and consequently the prices of commodities would remain the same as they were before the tax was levied, but could not possibly be increased.

The prices of commodities, therefore, can be increased only by indirect taxes, which, by being levied on articles of consumption, must create a fictitious increase in the national income, in the same manner that bank notes do; for as taxes, raised in this way, do not reduce men's income nominally, the sum of all the incomes in the state is increased equal to the amount of taxes. It is not observing this effect of indirect taxes, which made some men in England imagine, that in-

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creasing the taxes increased the national riches, and others have asserted, that as they increased the national debt they increased their ability to pay it; but, as a nation, they were neither enriched or impoverished by taxation; for as the real riches of a nation consists alone in its productions, and while they remain the same, without either increase or diminution, it cannot be said to grow either richer or poorer, whatever may be the fluctuation of the nominal income, or whatever alteration may take place in its distribution.

Great pains have been and still are taken, to prove that the landed and monied interests are inseparable, and that promoting the one necessarily advances the other; but this is certainly an untruth, for there cannot be but a certain quantity of wealth, power and consequence, in any state or nation, whatever the numbers may be among whom that power is divided, or whatever may be the amount of wealth, it is certain that whatever one party gains the other must lose.

Suppose that all the lands in these United States were rented for a term of twenty-one years, for twenty millions annually; when the revenues from money amounted to exactly the same sum, then would not the landed and monied interest, or the monied men, have the same income, or an equal share of all the productions of the country, and an equal share of all the power and influence arising from wealth? But if the monied men were, during that time, to increase or double their incomes by increasing their money, by means of bank notes, at the end of twenty-one years, their respective power and wealth would be in the proportion of one to two; that is, the landholders would have one third less of the products of the country, and also one third less of the influence in society; and the monied men one third more than they had at the commencement of the

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above period. Thence it is certain that the bankers, by increasing their own incomes, through the means of bank notes, do absolutely rob the landholders of a part of their power, and a very considerable part of their property.* It will be undoubtedly alleged, that increasing the circulation of money raises the price of land, and that may be the case nominally, but not really; there may be more money given in exchange, but the value will remain the same; for what is the reason that a greater number of pieces of money are given for an acre of land now, but because that money has lost so much of its value.

Therefore, although the landholder, who wished to sell his estate, might receive two hundred pounds, instead of one hundred, yet as the money had lost so much of its relative value, in employing it in any other way except in paying old debts, the two hundred pounds will purchase no more of the products of society than the one hundred would have done before the increase took place, and even if the real value of land should be increased, it by no means indemnifies him for the loss sustained in his annual rents; therefore, the effects of an increased circulation, in raising the value of land, are of no more service to the landlords than the increase of the nominal value; for, suppose his lands to be let for a term of twenty-one years, he cannot raise his rents until the end of that term, though the value of his income has been gradually decreasing; for if one hundred dollars would have gone as far in maintaining a family, at the beginning of the term, as two hundred at the end of the term, he must have sustained a great loss, and

* Any man who will take the trouble to examine critically, into the conduct of a majority of the legislature of this state, in 1812, will be satisfied what share of power and influence bankers have with our legislative authorities.

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although he raises his rent at the expiration of the term, to double the former rent, it neither makes up the loss he had before sustained, nor secures him against further loss; while the circulating medium continues to increase, it will be impossible for him to bring his estate at par with the increase but once in twenty-one years.

It is evident, therefore, that the landed part of the nation reap no advantage from the increase of the circulation by the banking system; but, on the contrary they are greatly the loosers. All those who have fixed salaries, such as officers in the army and navy, and many officers in the civil departments, who have either fixed salaries or stipulated fees, must sustain greater losses than the landholders, for the latter sometimes have it in their power to raise their rents, while the former are at the mercy of those whose interest is to oppress them. What their real losses are, is difficult to ascertain exactly; but whoever will take the trouble to compare the expences of house-keeping now, with what it was twenty years ago, will find that it has been increased one half in value, by the depreciation of money and the circulation of paper money or bank notes.

But whatever injury may be done to the rich, the injury done to the laboring part of the community, or nation, is by far the greatest and most to be deplored; for the rich are only deprived of superfluities, which, may, perhaps, be a benefit rather than an injury, and may excite a laudable sympathy in some of their minds, of which, in the full enjoyment of luxury, they are generally totally destitute; but the laborer is deprived of necessaries—besides, the advanced price has been much greater on necessaries than on superfluities; every man is effected by this in proportion to the part of his income employed in either, consequently it falls heaviest

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on the smallest incomes, where there must be the greatest part, or the whole, applied to the purchase of necessaries. The laborer, therefore, whose whole income is employed in this way, must be the greatest sufferer.

The injustice done, by the circulation of bank notes, to this class of citizens, is, if possible, more palpable, by far, than that done to any others, for although the injustice of depriving any man of that share of productions of society to which he is entitled, by his property or his money, must be extremely unjust; yet the injustice of depriving the productive laborer, the man by whose industry his family is indebted for their support, conveniences and even ornaments, of any part of the small share he has been able to retain of the production of his labor, must be peculiarly striking; what words can be found sufficiently expressive of our indignation against, and abhorrence of the conduct of a set of men who should combine to deprive the productive laborer of his wages? well might the curse of omnipotence be denounced against them! Yet this have the bankers positively done, for there cannot be any difference between taking six-pence out of a shilling, or reducing the value of a shilling to six-pence. A man is equally injured by having the value of his money reduced one half, as by having one half stolen away; the wages of a laborer will not now purchase one half of the most necessary provisions, absolutely necessary for him in his condition, that his wages would have done before the establishment of banks in this country.—Therefore, the issuing of bank notes has as effectually robbed him of one half of his wages, as if they had put their hands into his pocket and stolen it out, or formed a combination to reduce his wages. Whatever may be the reduction at present, it must go on increasing con-

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tinually, for as machinery increases its force by circulation, they can have no hopes of obtaining any proportional increase in their wages, for the sense of justice and the principles of right and wrong seem to be obliterated, even from the minds of men appointed as guardians of justice, so that the worthy laborer must starve or be supported by the public. This is the case at present with vast numbers, and is annually rapidly increasing; yet we boast of the flourishing state of our commerce, straining every nerve, mortgaging the labor of unborn posterity and the fruits of their industry, to divert commerce from the channel formed by nature for it to pass through, vainly striving to compel nature to bow to avarice and art, to facilitate and enlarge commerce! Pray what is that commerce worth that cannot maintain those who carry it on?

The merchants of the United States, indeed, may be allowed to boast of the benefits of commerce, and particularly those of New-York; the concurrence of favorable circumstances, resulting from our neutrality for many years, during the convulsions of Europe, is, perhaps, unparalleled in commercial history. They tax the community by the profits on their goods, and likewise tax the public at large in making them rich by maintaining the poor.

The condition of tradesmen is equally deplorable; they are no longer paid for what they do; they must lay out of their money for months and years. Before the establishment of banks, tradesmen and mechanics, were far more punctually and regularly paid, than they now are; their losses now, by delays and disappointments, insolvencies, by taking bills on distant and depreciated banks, which they are obliged to pass at a discount, &c. amounts to at least 30 per cent. on all their labor, besides paying double for every thing they need. It also

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amounts to almost a prohibition to a young man to get into business for himself, for want of large capital. Unless he can give credit he can get no custom; neither can he borrow at reasonable or legal interest and distant payment, because the interest drawn on bank shares is greater, and payments more punctual, people prefer vesting their money in them to lending to individuals, however worthy or safe; he is, therefore, forced to work as journeyman for life, and to maintain, perhaps, a numerous family; work for a capricious and tyrannical master, pay him a tithe out of his wages and who will deal out his wages how much or how little, as his humour or interest dictates; he is utterly excluded from his political rank, and is a victim to the banking system.

The worthy capitalist or honest regular trader is also injured in his circumstances, by the idle and desperate adventurer being able to borrow money from the banks, to rival him in trade, compel him to divide his profits and his business, and thereby reduce him to want and beggery at the close of life, after all his efforts to avoid it. Their dissipated lives, extravagance and ignorance of business, by not learning its principles by practice, continually exposes them to miscarriage and failures, to their utter ruin, and their friends who have become their securities; the forced sales of their property, continually injures the worthy dealer, and renders all property in trade very precarious.

The banking system likewise injures all minors; if they happen to be young at the time property is left them, they will not receive more than half its value when they arrive at the age of 21, if the bankers should be permitted to increase in numbers, and in the increasing the circulation of their notes; all those who have monies in the funds to receive at a future day should look to this.

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It is to this prodigious increase of paper that England is indebted principally for the frequency of her wars, for bank notes not only enables the minister to contract debts and raise supplies, with infinitely greater facility than he otherwise could do, but it renders war absolutely necessary for promoting the interest of a very powerful body of men—I mean the bankers. The increasing the quantity of money to be lent, without a similar increase in the quantity wanted to be borrowed, must necessarily reduce the interest; therefore, if the demand for money were not from time to time increased, the constant increase of the quantity to be lent, by means of bank notes, would in time reduce the interest to almost nothing. War, therefore, is the most effectual means of increasing the demand and raising the interest on money, but when war cannot be conveniently resorted to, the *enormous expence of a Canal* may serve as a temporary substitute, to serve the interest of money-lenders *in this state.*

The banks, by having a great deal of money belonging to other people, which they cannot employ but in such a manner as to be able to call it in on any emergency, will always be investing large sums in the funds; and as the interest they receive will be high, in proportion as the prices of stocks are low, war, which reduces the prices, must be to them particularly desirable.—But the banks, that have the revenue in their possession, have an interest in war distinct from that of other banks; for as all the money raised by taxes is lodged there, the revenue becomes a fund for circulating the notes of the bank,* and as the profits of the proprietors

* The sound of a great capital abroad may gain credit to the bank, but is not absolutely necessary for an extensive circulation. This will be clearly seen by the operation of the Farmers Exchange Bank, in the state of Rhode-Island, an account of which is hereafter given.

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depend on the quantity of their paper in circulation, and as that must depend on the largeness of their funds, war, which, by increasing the national debt and taxes, increase their funds, must greatly contribute to their advantage. Even if war was not so immediately for the advantage of the bankers, they would be still obliged to support it if the government thought proper; for, as their very existence depends on deception, it is in the power of government to annihilate them in a moment, by refusing their notes in the payment of taxes.

They are, therefore, as much dependent on them, and as much at their command, as if they depended on them for their daily subsistence; nor is it to be supposed that men who get rich by the plunder of their neighbors, can have many scruples in promoting the views of others, however pernicious, and even where they themselves are to share in the profits there can be no doubt of their most cordial support.

Having shown the great interest that monied men and monied institutions have in creating war, and in supporting it after it is created, what then can any man think of the wisdom and morality of the general government, in leaving all the revenue in the hands of the bankers for many years, averaging an amount equal to twenty millions annually, thereby assisting the bankers if not to bring on war, at least to rob their fellow-citizens of an immense amount by enabling them to circulate a vast deal more paper.

Suppose a general alarm was excited by the immense quantity of bank notes now in circulation, and a general demand made on the banks for cash for their notes, and the people to accept of no more of their paper, would not the bankers pay their notes with any body's cash in their possession sooner than fail? Has the general government any special security, that in case any such de-

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mand should be made on them, that they will not pay their notes with the revenue.

The banking system also supports an enormous system of speculation and monopoly that racks the poles. This may be seen by the conduct of the British merchants in the year 1793. In consequence of war with France, commerce then received a sudden and deadly blow. Notwithstanding all their commercial advantages, and the immense aid they received from the banks, it was still insufficient, at those times. to save them from ruin and general bankruptcy ; had not the minister stepped into their aid, by lending them three million pounds sterling. in exchequer and navy bills ! a general bankruptcy would have been the consequence.

Since then it is evident that the commodities in their possession did not belong to them, in whose possession they were, but had been engrossed by them for speculation. by means of paper borrowed from the banks—secondly, that this speculation was with a view to monopoly. If this had not been the case, or if they had commodities double the amount of their debts, would they not have brought a part of them to market, equal to the amount of their debts, rather than have pawned double the amount ; but it is presumed that the commodities, in their possession, were not, at a fair market price, worth the amount of their debts ; then nothing could have saved them from ruin but screwing up their monopoly to an exorbitant price. With this view, it was of but little consequence to them how much of their commodities were pawned ; their object was to keep them out of the market, and as the loan, borrowed of government, served to pay off their first bills, it enabled them to bring their commodities to market as slow as they pleased, so as to inhance the price two or three fold.

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Again, on the 15th of March, 1797, the price of wheat was raised to 95 shillings per quarter. There was every appearance of famine. The government went to work to strengthen the idea, by ordering a general fast throughout the island. All the ecclesiastical corps, and all the orators of government, were to prevail with the people to believe it to be an approaching famine, and that they should bear it with christian fortitude. However, on the 12th of April, the bubble burst; the wheat fell from 95 to 58 shillings; and there was every reason to believe that it would have been much lower still, had it not been for the loan lent by government to the merchants, who had engrossed all the grain in the country; the arrangement was proclaimed in parliament on the 18th of April; the 17th of May, the merchants received the loan of one and an half million pounds sterling, from government; and on the 28th, wheat had again risen to 77 shillings. The same game is now playing by the monopolizers of New-York, by the help of the banks.

Again, on the 24th of May, 1797, the minister proposed a tax of ten per cent. on all West-India sugars. The merchants in the trade declared they could not pay it. They alledged that the markets were all overstocked, and that they had early payments to make, and would be obliged to sell, at all events, to make good their contracts. The government lent them a million and a half to pay up their first bills, to enable them to bring their sugars to market as slow as they chose, so as to enhance the price to an extravagant amount, and though the tax was only ten per cent. the sugars, on which it was laid, rose more than seventy per cent. in consequence of it.

Is it any wonder, then, that the merchant and minister are so kind to each other! These are commercial

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advantages with a witness to it. Before the establishment of the bank of England, in 1694, there were no poor people, nor any taxes collected for their support. Now, at this time, the poor rates in England exceed fifty millions of dollars annually. The government has reduced them to the lowest degradation, and keeps them down with the bayonet.

Having shewn the baneful effects of the banking system in England, I will endeavour to show that it has produced the same effects in this country; the like causes will produce the same effects every where.

It is as notorious a truth as that the sun gives light when it shines, that our merchants, and speculators of every descriptions, borrow millions of dollars (in paper) from our banks annually, to assist them in engrossing every article in life, and particularly those articles indispensable to life; thereby to enhance the price to an extravagant amount, double or treble their real worth, or what they would be had at without monopoly; thus compelling their fellow-men, who cannot do without them, to give those exorbitant prices.

And even bankers themselves, by their agents, engage in this fell speculation; witness the butter speculation, which is fresh in every man's recollection in this city. Whatever might have been the result of that accursed monopoly, to those engaged in it, it had the effect of raising that article to a price, from which it has not at present fell to what it ought to be. And now, while I am writing, there are persons in the city of New-York, who have it in their power to issue bank-notes to an amount equal to the engrossing any article in the market which may promise a profitable speculation.

The merchant and dealer, who follows this practice, might as well, and with as much justice, put their hands

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into their customers pockets and steal one half of their money away, as to compel them, because their need requires it, to give double their real and just value; though the means are different the moral is the same.

This base robbery or extortion, throughout all our cities, and even country towns, (for there is petty bankers in them all) has deprived the great majority of the nation from the benefits and the moral influence of our revolution. Their condition is very little better; and in a few years more, this banking system will reduce them to a situation as deplorable as that of other countries, where there are no such words or ideas as Liberty and Equality. Does not this system tend directly to reduce the patriotic soldier, who has hazarded his life to repel British insolence, to distressing want, and to compel him to beg his bread on the very soil which his blood has purchased and been shed to defend! how painful the reflection!*

* The moral prospect, which presented itself at the close of our Revolution, was unprecedented in the whole human history. Our country was a political paradise, with free access to the tree of knowledge. The wide world was open before us and without an enemy on its surface; and all its inhabitants wishing us well.

This vast continent, replete in every blessing, of every soil, of every climate; capable of every production of nature, and this for ever ours! To go to work and enjoy the fruits of our moderate and salutary labor, was all that was necessary for us to do. But it seem to have been our misfortune, that all or at least the worst propensities, that disgrace the human character, predominate in our public councils; or at least have so far predominated as to produce all the political evils which have befel and now await us, and particularly the late war. The cupidity of bankers was the generating cause of the opposition to the pacific policy of the immortal Jefferson. Had the policy of that peerless patriot and statesman, been seconded by the people of these states, with that degree of energy, which it merited. The thousands of human sac-

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No sooner a bank is established in any place, than all the cash disappears from circulation. It is taken to the bank as a deposit, and for safety, as well as to obtain favours from the bankers, even the revenue of the general government is lodged in the banks. Averaging nearly twenty millions of dollars annually.

The Bankers are thus furnished with immense loan capital. It becomes an immense fund to circulate their notes upon; and as the bankers set up the trade with the sole view of gain, the more they issue the more they will gain, and the more is wanting to be done; it is fair to infer, that they issue all they can. It may perhaps be asserted that they are limited by law to issue only a certain amount beyond the capital, and to issue no more. But is not the temptation rather too strong, with avarice for its auxiliary, for an inoperative law to prevent, when the key to detection is in their own pockets? There is no arithmetical limits that can be fixed to the amount of paper the bankers may issue while their credit is good, (that is, while suspicion is a sleep.) Paper can pay paper without end, while rags are to be had in this (soon will be) ragged country; and when likely to be pressed for large sums in specie, they refuse payment. What amount of interest they draw from the use of all their notes, it is difficult for any one, not in their secret, to ascertain to any exactness; but it must be very great—it must be immense. How else can we account for their princely palaces, their plates,

rifices, whose blood has been shed upon the altar of banking avarice and the consequent distress which fills our country, would have been prevented, and our country at this day would have presented a spectacle of happiness of arts, sciences, manufactories and agriculture, equal to the supply of every rational want or wish, and our country, truly in fact (not as now) completely Independent. War is the Pharo, table of statesmen, and a wheel of Fortune to bankers.

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engravings, their stationary, their printing, their postage, clerks' salaries, their charters, rents, bonuses, doeuers, &c. with the princely fortunes they retire within a few years.

The profits of our Banks must be very great, much greater than any European Banks. It has induced foreigners to invest large sums in many of them; they have become principle stockholders in some of them. Foreigners are thus enabled to draw from us every year large sums of money as Interest, in specie, to the great injury of internal improvement, and making us more dependent on them for every thing we need They are thus promoting their own views and interests on American ground. Besides all this, they are attached to foreign habits and influence; they are enemies to our republican institutions; they agitate our councils, divide our people, set law at defiance, and unnerve the arm of our general government.

We have nothing in our republican institutions that can balance this overwhelming foreign influence. The imminent danger, from which we recently made but a hair-breadth escape, must be fresh in the memory of of every man; the conduct of bankers abundantly prove their hostility to republican forms of government.— They have already purchased a majority of the legislative and judicial authority. Their remains only the virtue of the people to prevent them from ingulphing the continent in ruin. The management of the Banks is placed in the hands of directors chosen annually by the stockholders. They have great privileges and authority, very little inferiour to the petty despots of the earth. Their services as directors, entitle them to the use of 10, 20, 30, or forty thousand dollars annually; by paying legal interest on it, those sums are allowed according to the capital of the Bank.

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They may discount paper for whom they please and to any amount, and the may ruin who they please by refusing to continue their discount and compelling immediate payment to the Bank—And besides a political vengeance, they have pecuniary vengeance also in the ruin of any man they chose, towards accomplishing this abominable design, their cash priviliges are of the greatest benefit to them. It is to say the least of it, a scene of Corruption from beginning to end ! !

A law to establish a Bank is a law to banish every thing useful out of a country. The constant and prodigious increase of paper manufactured at the banks, and set a float by speculators, raises the prices of all the Commodities of life to an extravagant hight so that mechanics and labourers are forced by their necessities to demand high wages in order to support themselves. This opperates as a prohibition to many useful arts and manufactories, from ever succeeding in this country, The injury done to the nation in this point is incalculable, besides making us wholy dependant on foreign nations for every thing we need, we shall always be embroiled in their wickedness and wars, while this course of things continues to exist among us.* Besides all this, it unnerves every kind of virtuous industry by holding out temptations to speculations and monopoly, which is ten times worse to the morrals and injurious to society,

* The policy of the British government is directed against our commerce and manufactories. It has been declared in parliment that it would be better for them to sacrafice some millions than suffer American manufacturers to succeed, their policy has been aided by the conduct of our anglefied government, Merchants and Bankers, to the total destruction of our manufactories, and the immense sums drawn from us annually in specie to pay for their goods is furnishing them again with the sure means of the destruction of our republican institutions.

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than the increase of paper by the Banks, is to manufacturers. It promotes idleness and dissipation of every description; foreign fashions, follies, waste and extravagance. It drives industry and morality beyond the sphere of its baleful influence, insomuch that a worthy honest man is rare to be found among us. See the daily papers filled with Insolvencies, Bankruptcies and Forgeries, an eternal disgrace to the nation. It is the highest species of gambling that ever was known, it is a shame to any country calling itself civilized to permit it. It is far worse than robery on the high road, for the highway robber puts his life or liberty at stake, there is a risk against the profit. But our Banking gentry, avoid all dangers and prevent all escapes. The history of banks is a history of monopoly, and a history of monopoly is a history of the worst species of robery. The history of paper currency among all nations, is a history of robery of the basest sort, it is much like the treachery of a pretended friend. We place confidence in his promise and become his security—he gives us the slip—thus involving ourselves and families in distressing want and poverty. This is exactly the case with Bank Notes, we suppose they may be paid in cash at any time, but when suspicion arises, the cheat is at an end, the possessors of notes must be the loosers. This has been prooved to demonstration in this country already. Millions of Dollars in paper have been entirely lost, and thousands of families ruined by it. Though strange to tell we play the same game over again. It was expected when the Bank of the United States began its opperations and the banking gentry removed the embargo on specie, that it would again appear in circulation, but there is scarcely any to be seen not even one dollar in cash to a thousand of paper and it is growing scarcer every day. Our Bankers are as true to their interest

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as the needle to the pole. They sell the East India merchants, at a premium, large sums of it anually, the more specie that is shiped abroad, the better for them the more need and room there is to issue and circulate their notes.

The English nation had placed great and strong confidence in their bank for more than two hundred years. In the month of Feb. 1797 a publication was circulated through England in which it was proved that the bank had been insolvent for more than one hundred and fifty years before. In consequence of this publication, the people who held their paper took an alarm and called for payment of their notes in cash for which they had given the productions of their labour, this step was justifiable on every principle of equity and prudence. Those who by the proxemity of their situation, or by early information called first on the bank got their pay but those who called last got nothing, the bank failed the real fact was, that they could not pay one penny on the pound for all notes that they had issed.

Their government in the true spirit and principles of their fell system made their notes a legal tender, and made them current by the point of the bayonet. Well might their political orators declaim against French assignats and maxemum laws. Well might the British assist the national assembly of France in the manufacture of paper and export it to Britany, and their liberality is equally extended to our bankers by the introduction of notes from their Canadian teritory.

How much better was the conduct of our bankers in their late refusal to pay their notes? My fellow-citizens may determine the question. The cash which ought to have been apropriated to the payment of the notes of the Bank of England had been shipped to the Continent to pay foreign butchers to murder French

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Citizens and destroy their republic and again enslave France. The cash which ought to be apropriated to the payment of the notes of our bankers is daily shiped off to pay the dividends of foreign stock holders and the immense balance against us for European and India manufactories to the utter ruin and destruction of our own, and making our citizens slaves to foreign luxuries, and sapping the very foundation of our republican institutions.

If our Legislatures were in the least acquainted with the history of our country they must have known that in almost every instance of the emision of paper money by whatever athority; it has been a scene of iniquitous fraud depriving the poor of their hard earnings; and of all classes the Republican Soldier has generally been the greatest sufferer. In the year one thousand six hundred and ninety the then colony of Massachusetts emited a large sum in bills to pay the soldiers who had been employed on an expedition against Canada, these bills were received by them in payment for their services; the value of them sunk immediately one third, though the expedition against Canada failed the paper money performed the exploit of robbing the soldier and soon got into better hands when the gradually appreciated by being made receivable on taxes. The success of this speculation induced the assembly of Massachusetts to make subsequent emissions, in 1711, and 1714, and 1716, amounting to about half a million of dollars for defraying the expense of the war against Canada, these with emitions for other purposes had greatly augmented the sum and in 1749 it had depreciated to about six pence on a dollar.

South Carolina in 1702 projected and undertook an expedition against St. Augustine the expedition failed but a large debt was contracted, and paper money was

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issued to pay it, and afterwards in 1712 they issued another large sum to defray the expence of the war against the Tuscaroras, this so augmented the sum that it immediately sunk one half and ultimately to one seventh. Pennsylvania in 1722 issued paper money to the amount of fifteen-thousand pounds, which was afterward increased to eighty thousand; this paper by act of assembly was made a legal tender, so that creditors were obliged to take it the same as gold and silver: notwithstanding this, it depreciated to a degree that alarmed the landlords. To silence their clamor the assembly made them a grant to indemnefy them, and secure the full value of their cents in sterling money: in fine, all the Colonies at some time or other issued paper money; it all depreciated more or less; that which was made soonest payable on taxes, depreciated the least. The effects and fate of the paper money issued by Congress in the revolutionary war is not only well known, but most severely felt by the war worn soldier to the present moment.* To paint the enormous mischiefs and frauds of paper money in true colours, would exceed the most exalted powers of human intellect; it can only be equalled by that moral depravity and turpitude which has carried this paper system to its present extent, and the evils that await its final close.

* No country on earth owes so much to the services of the soldier as the United States of America.

By no nation on earth have they been so much defrauded, and in a pecuniary point of view so inhumanly treated. When I retrospectively view the flinty hearted Hessian at German town so melted into compassion for the sufferings of his conquerors, as to bestow his own shoes in charity for his relief, and compare him with my vaporing representative in Congress opposing the claims of the revolutionary soldier, I blush and hang my head to think myself a man.

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The assignats of France notwithstanding the national assembly robbed the church of her vast domains to support their credit, and their maximum laws. To make them pass they fell down to nothing, by the assistance of the British minister who caused a great quantity of them to be made and shipped over to Brittany, for the use of the royalists.

The British Canadians are constantly carrying on the same trade against these states. They forge immence quantities of paper on our different banks, they with it obtain property of our citizens by fraud; there is scarcely a dealer in all our country, who cannot produce abundant specimens of the ingenuity of this kind of banking gentry, and of their own losses, and indeed the person, whatever may be his condition in life, is extremely fortunate if he has not sustained loss by this kind of paper. There is no safety for any man, under this order of things. The labour of ages is swept completely away, and the real owners are left exposed to seek for more, or beg their bread as many are compelled to do.

Germany also has been seized with this same madness: her paper in 1809 and 1810, was worth nothing.

Had the scheme of king James which he adopted in Ireland been resorted to, it would have been wise compared with the paper system.*

* Brass and copper of the basest kind, old cannon, broken bells, household utensials were collected; and from every pound weight of such vile metals, were coined four-penny pieces to the amount of five pounds nomenal value. What a pitty our honourable and wise corporation had not made use of such materials in their late emissions of change; some of it would undoubtedly be preserved as a record of their segacity and honesty to future generations. The service of plate presented to their financier though of better metal, is only one solitary evidence of their magnanimity.

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The laws of a country ought to be the standard of equity, and calculated to impress on the minds of the people the moral as well as the legal obligations of reciprocal justice.

Money when considered as the fruit of many years industry, as the reward of labour sweat and toil, as the widows dower, and the orphans portion, the soldiers compensation for dangers, hair-breath escapes, pinching cold and hunger in his country's cause, as the the means of alleviating affliction and obtaining necessaries, and making old age comfortable and a seene of rest, has something in it sacred that ought not to be spoiled with or trusted to the airy bubbles of paper currency, though under the control and immediate inspection of the rulers of a state or nation, much less to a set of men to manage as their interest, ambition, or avarice may dictate; whose character is drawn by an eminent statesman in nearly the following words, "Their counting-house is their church, the desk their altar, their ledger their bible, their gain their God, and have faith in none without a good indorser."

But what may be said, or rather what may not be said of that government which is not only continually chartering companies with bank privileges, but suffering corporations, individuals, merchants, dram-sellers, toll-gatherers, printers, and printers devils, to manufacture their own change as their wants or convenience may require. This has been the case and the country inundated with the paltry trash, so that like Egypt of old, "the land stank, so numerous was the fry." Besides the licenced and public money factories; daily detections prove that there are many very many private ones who carry on the business in a private clandestine manner to a great extent, and find means to get it into circulation which cannot be a very difficult matter,

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since they have brought the art to so great perfection as to deceive the bankers themselves. Most surely it is high time to look to these things; but where or to whom shall we look? our legislative councils are supposed to be the source and guardeans of all political justice, and that is the fountain from which this evil flows, it is here we trace the fellow home, find out his birth-place and his dam.

Since it has been proved that issuing bank notes is actually a public robbery, and is the cause of most of the evils that torment society and humanity, and that gold and silver are the only legitimate representatives of property, and that they alone should be used for that purpose in preference to all other materials, what right or authority have congress, or state legislatures to grant charters to banks, to pass paper instead of gold and silver? The constitution of the general government forbids the creation of orders, or granting titles of nobility, but it is silent on the subject of banking, and certainly gives no authority for granting bank privileges, which in their operation and effects are as abhorrent to republican or just principles, and more perniceous in their effects on both the interests and morals of society. An equal number of noblemen to that of bankers in our country, with sinecure pensions would be less expensive and far less injurious to the morals of the citizens.

It is true that some of our citizens might ape nobility, as our bankers and others now do; but this would only expose them to the contempt of all sensible men, without making them liable to the pains and penalties annexed to the horrible crime of forgery of bank notes. The incumbents would be confined to the stipulated amount of income, which might probably be

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burthensome, but by no means equal to the sums robbed from the public by bankers.

The constitution as before said, is silent on the subject, of banks, and that for the most evident of all reasons, because the people had no such right to delegate. A man may transfer his own personal right, but he cannot transfer the right of society. The right to acquire and hold property by virtuous industry is one of the most sacred rights of man: to deprive him of this right, would be to deprive him of his existence, he can only part with this right in his ceasing to exist. Therefore, A can have no right to deligate to B, the power to take the property of C without an equivalent in exchange.

Pray what is the value of bank notes, or paper money? let the history of what has happened in our own country, and in every other country where the fraud has been practiced, answer the question. From these it is evident that the least breath of suspicion would render a cart-load of them of less value than a pinch of snuff. It therefore appears evident, that governments, general or local, have no such right delegated to them, it is an assumed prerogative, an act of arbitrary power, an act that tends to destroy and dissolve the very government they have sworn to maintain, it is an act that common sense, common honesty, and common safety would revolt against. It tends to dissolve the government and to set a drift all the property of the nation, like the barbarian, who by false signals decoys the mariner on the rocks, that he may have an opportunity of plundering the wreck. This is the case at the present moment, there is property to an immense amount now ingrossed by speculators and bankers, by means of bank paper amounting to many millions, and is continually augmenting. Here then the crime is fixed, which can be neither palliated

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nor denied, and to which the right of the legislatures do not extend. The people ought therefore to bring those gentry to justice, those who proposed and those who have voted those laws that went to establish banks, they ought to be held amenable in their property and persons, for all the injury the public have or may sustain by the banking system. Honour and justice demand that the inquiry should be made; to delay it is to encourage them in it, and to invite others to do the same, until no further attention is paid to the interests of the nation. There would perhaps be found among some of those exclusive patriots of talents and wealth, who have been in the habit of insulting the nation with her distresses; the people ought to know them as the authors of her calamities. That this assumption of legislative power has escaped the lynx eye of the judiciary is impossible, unless they have been veiled with the opake substance of bank paper, which has been before hinted.

This subject must have come before them in many shapes, during the many years it has been in operation. It is universally understood, that they were to be judges of the constitutionality of those laws they were called on to execute and enforce, and if they were not made agreeable to that instrument, they ought not to carry them into execution. This is what is generally understood by the independence of the judiciary. If it does not mean this, it is an expression without any meaning, and if it does mean this, how do they reconcile it to their duty, to pronounce on the law against forgery on the banks, and doom a fellow-man to a long imprisonment at hard labour, for forgery on the banks. If the laws by which banks are established are not constitutional laws, they had no right to exist as such; they are therefore no law, and consequently,

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the forgery no crime. I believe that some of the gentlemen of the barr have serious scruples on this point, but as I have never conversed with any of them on the subject, I shall pronounce no opinion upon it, but leave the subject with wiser heads to form their opinions on this subject, and also how far the banking system have influenced our judicial authorities.

There is no fact more evident, than that the bulk of mankind have been the hewers of wood and drawers of water, for the use and pleasure of knaves and tyrants, from the earliest ages to the present moment; that they have been imposed on since the institution of legal society, or in other words, ever since the bounds of property have been established; and that it is our situation as much as any other nation. We labour for our bankers, our landlords, and merchants, and the feudal power of our landlords are very little short of that in most European countries.

But let me not be understood by this declaration, to be an enemy or an opponent to merchants and commerce. I am on the contrary friend to both, with very few exceptions, and those are in favour of the worthy merchant, who has a capital of his own honourable acquisition, or who has inherited it from his worthy ancestors,—that he may be entitled to its legitimate advantages in exclusion of all intruders,—that he may be known, regarded, and respected as a worthy labourer in the vineyard of industry,—as having done his share of duty in improving the moral condition of man.—He is now lost and amalgamated among the wreck of things; my object is to remove as much as in my power the rubbish, and bring forth the upright and honest dealer before the public, as a worthy model for the present generation to imitate and for posterity to follow. The nation ought to be restored to her genuine

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rights, and every individual to his own, that the worthy man may be known from the unworthy, that those who labour for the good of society should be restored to their political rank in society, that they should be restored to their just rank among their fellow-men, and to all the domestic comforts that nature hath designed for their general felicity, from which they are or soon will be driven by the banking system, and left in the back ground of human depravity, to wear out their days in woe. It is high time to commence the work of reform, it has been too long delayed, and the favourable representation of our situation by great characters, and the responses of their votaries are calculated to increase our apathy, and divert our attention from the all important concern of reformation. The condition of humanity requires our most active and vigorous exertions; to delay it longer would be dangerous. In a few years more, there may be men with bayonets in their hands to restrain or prevent our efforts, men that will vote charter privileges to and organize robbery: will not be very likely to hesitate to provide force to protect it. Authority that can pronounce sentence and inforce an unconstitutional law in one case, can with as little scruple render nugatory, every law that protects the liberty and privileges of the citizen.

Notwithstanding the immense and almost countless millions of bank money already in the market, there are now before the state legislature petitions praying for charters for several more Banks with capitals of several millions. His Excellency the Governor observes in his message at the opening of the legislature on the subject. "The evils arising from the disordered state of our currency, have been aggravated by the banking opperations of individuals, and the unauthorized emissions of small notes by corporations. They re-

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quire the immediate and correcting interposition of the legislature. "I also submit to your serious consideration whether the incorporation of banks where they are not required by the exigencies of commerce, trade or manufactories, ought to be countenanced. Such institutions having but few deposits of money, must rely for their profits principally upon the circulation of their notes and they are therefore tempted to extend it beyond their faculties, (more properly expressed) their abilities. Their bills are diffused either in the shape of loans or by the appointing confidential agents, to exchange them for those of other establishments. But the former mode being conducive to profit is at first generally adopted, and in the early stages of their operations, discounts are liberally dispensed. This produces an apparent activity in business and the indications of prosperity, but it is all fictitious and deceptive, resembling the heetic heart of a consuming disease, not the genial warmth of substantial health, a reaction soon takes place.—Their bills are in turn collected by civil institutions, or pass to the banks of great cities; and payment being required, the only resource left is to call in their debts, and exact partial or total returns of their loans. The continual struggle between conflicting establishments to collect each others notes occasions constant apprehensions." He then proceeds to enumerate some of the mischievous consequences, of the system such as "the banishment of metallic money, the loss of commercial confidence, the exhibition of fictitious capital, the increase of civil prosecutions, the multiplication of crimes, the injurious enhancement of prices, and the dangerous extension of credit, are among the mischiefs which flow from this state of things, and concludes the subject by recommending a serious inquiry, whether a much greater augmentation of such

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institutions, may not in course of time produce an explosion that will demolish the whole system.

These observations of his Excellency most assuredly merit the most profound deliberations of that body to to whom they are addressed, if there are any to be found among those who are advocates of the banking system capable of serious reasoning on that subject. Had their former deliberations been influenced by such suggestions I presume very few banks would have ever had an existence in our country. That merchant, trader, or manufacturer who depends for support from the banks will be always in the most extreme exigencies, and will have occasion of access to more than one bank, which may enable him in these exigencies to borrow from one to pay the other, and thereby support his credit. This, as his excellency is pleased to observe, gives the appearance of activity and indications of prosperity to his affairs also; but the same fatal malady or hectic is by this intercourse communicated to his affairs, and although extraordinary industry, or a train of favourable circumstances may procrastinate the period of his final destruction, yet the effect is certain. Desperate adventurers may by loans from those accommodating money manufacturers obtain large sums, which will enable them to make a dash (as they term it,) which if fortunate, may give them further credit, and enable them to continue their course of speculation, until they eventually involve themselves and their friends in remediless ruin. To such, (and there are thousands such,) I never would apply the honourable appellation of merchant, or that of mercantile, to such base robberies as the bankers enable them to commit. A great part of the business termed commercial is carried on this way, and were it not for those vermin, the regular and prudent merchant would require no other aid from paper, than that

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in the form of bills of exchange, and no other ought to be allowed by any government under heaven. Banks, as many of them are conducted, are mere factories of a commodity called bank bills, and these manufactories are by far more numerous than those of any other commodity in the United States, and these bills are not only introduced into circulation by confidential agents, but when they have found their way to our large cities, are purchased up by the same confidential agents at from 6 to 30 per cent discount.

There is no useful manufactory carried on in these states that can afford to pay bank interest on their stock, admitting they were sure of successive discounts, and as they cannot be sure of this, their whole stock is liable to be forced into the market and sacrificed to bank rapacity and to their total ruin; and this has been uniformly the case with many of our most useful manufactories to the incalculable injury of the country.

There is nothing more certain, than that the commerce of every country must depend on the quantity, quality and price of its productions. Make as much bank money as you please, it never will induce foreigners to purchase any more of your productions: the more bank money you have the higher price you must pay for the productions of the soil, and also every kind of manufactured articles will come higher in the market, and consequently, the profit less, and purchasers will get supplied on better terms elsewhere.

In addition to what has been said on the banking system, I here insert a succinct history of a bank in the state of Rhode Island, near the line of Massachusetts, taken from the democratic press.

"In the year 1805, a bank was established in the town of Gloucester, containing about a dozen houses. This bank commenced its operations with a capital

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composed of two thousand shares of fifty dollars each, amounting to one hundred thousand dollars. From this bank, Andrew Dexter Jun. an illustrious speculator, borrowed the small sum of eight hundred forty-five thousand seven hundred and seventy one dollars in the notes of that bank, for which he gave his promisary notes in a new and improved form. As every revolving year produces novelties to excite admiration and wonder, the reader should not be surprised that this neplus ultra of paper accommodation was reserved for the invention of this village, neither let him wonder why this important discovery was not first made in Boston, New-York, or Philadelphia. This little town has long been miraculous for inventions. As early as the year 1778–9, founderies was established in that vicinity for manufacturing money. A coin was cast in immense quantities in imitation of English half-pence, which obtained extensive circulation, specimens of which are still to be met with in almost every state in the union. But since the discovery of creating real and substantial wealth by ingenious impressions on slips of handsome paper, which of all others is the greatest ever made by man! the tedious and laborious practice of procuring materials and fabricating metallic money is superceeded, and the most penetrating and prolific inventions have been turned to that object. This bank having accomplished all the purposes of its establishment closed its concerns, which circumstance has developed some of the secrets of such institutions, and we may reasonably expect occurrences equally wonderful, on the final result of many other similar institutions, in places of greater consequence.

Here follows the form of a promisary note, received at the Gloucester bank without indorser.

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"I Andrew Dexter Jun. do promise to pay to the President and directors of the Farmer's Exchange Bank, or their order in years from the date with interest, at two per cent per annum. It being understood, however, that the said Andrew Dexter Jun. shall not be called on to make payment, until he thinks proper, he being the principal stock-holder, and best knowing when it will be proper to pay the same."

For the gratification of the reader and further illustration of the honesty of bankers, I insert the amount of the respective notes with their periods of payment.

1st. Note dated Nov. 4th. 1808, payable in 8 years, at two per cent interest.	$300,000
2d. Dated Nov. 30th, for the sum of	32,000
3d. Dated 12th, for the sum of	6,000
4th. Dated about the same time, for	507,771
	$845,771

Making in the whole eight hundred and forty-five thousand seven hundred and seventy one dollars, with which Dexter carried on a scene of speculation and fraud, similar to what is continually practised by others who have not yet consummated their plans. Hundreds, and perhaps thousands of people deplore the fatal credulity by which they were induced to convert their property into this paper, not now worth a farthing on a thousand dollars, and which has reduced them from affluence, to beggary and wretchedness.

Not being scrupulous about prices, Dexter and his friends possessed themselves of property to an immense amount, in the most valuable estates in New-England.

This bank ceased its operations on the 27th of Feb. 1809, with the sum of specie in its vault, of eighty-

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six dollars and fifty cents. The legislature of Rhode-Island, appointed a committee to investigate the whole of this nefarious transaction. That committee published a luminous account for the information of their constituents, from which the substance of this account is taken. I believe, however, that Dexter and friends are left in the full enjoyment of the fruits of their villany.

Besides the banking system, there are other establishments equally repugnant to justice, and not only abhorrent to the principles of republican forms, but to the principles of every other form of government under heaven.

I shall here in addition to what has been said on banks, notice some of them: though they are not so universally mischievous in their consequences and abominable in their effects, yet they are highly reprehensible, and are further evidence of the corruption of legislators, and of the little regard paid by them to those laws called constitutions, which have been framed with so much circumspection and care by wise sages, to set bounds to the power of legislative authority, and are sometimes called the supreme laws of the land.

Totally regardless of every restraint either of law, conscience, or justice, they are at any and at all times ready to promote the interested views of mercenary speculators, or in other words, public robbers.

The establishment of turnpike companies, though they have met with considerable opposition, they have nevertheless succeeded universally, and their universality has been adduced as an argument, in favour of their utility.

It must be acknowledged that a combination of mercenary wretches, will always succeed in obtaining a majority in their favour, in every case where profit of

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cent per cent is the object. Thus they have induced legislatures to wrest the soil of highways from the public, the rightful owners, and to vest it in themselves, and with it, the power to rob the traveller as he passes.

The laying out, improving highways or roads, was one of the first improvements of civilized society that history records, and I believe anteriour to the setting up the bounds of individual property in lands; be this as it may, no one I presume will dispute its antiquity, or the universality of the right, that every son of Adam has in the free legitimate use of the lands thus set apart, like the air we breathe, it is free for every one that has lungs for respiration: so also on original principles the road or highway, is as free for all the human species who have power to travel. The native Hindoo has an equal right on these principles, to occupy the roads in the United States as the native citizen, and this right is made reciprocal in every civilized nation on earth. It is therefore, original, universal, and unalienable. Where then in the name of righteousness, do legislatures obtain the right or the power of vesting this property in the hands of any company of speculators whatever.

This right could never be delegated by their constituents for it is unalienable; it is therefore, as in the case of banks, an assumed prerogative, despotic, and arbitrary. I am sensible that when legislators are called on to vindicate their conduct in this, as in many other cases, they begin to recite their precedents and authorities imported from Great Britain and elsewhere, and expatiate largely and learnedly on the utility and importance of good roads, of easy communication, the advantages that have thence resulted in Europe, &c. I acknowledge the force of their reasons, and lament that they are so palpable. I know that the rights and

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liberties of Englishmen were once recognized and respected by their rulers, but they by degrees have been wrested from them, one by one, by unprincipled and infamous knaves, until they have no rights left them, except that of being governed by their superiors, in a despotic merciless manner, to which condition we are advancing with gigantic strides. The public are always competent to make all such improvements as will conduce to public happiness and prosperity. To endeavour to advance those improvements, faster than the public ability will allow, by wresting public rights out of their hands and placing them in the hands of speculators to improve for them, is the most damnable of all political herisies; and it is invariably the case, the public are plundered for individual emolument. It is not reasonable to expect, that when the legislature have robbed the people of their interest in the soil of highways, and bestowed it on a company of their favourites, that they will not follow their example, and rob the traveller.

Men may as well attempt to annihilate the principle of gravity, as to derive public good from political evil, or by legislative interfluence make that right which is naturally and originally wrong. If the intention in vesting the property of roads in the hands of chartered companies was to public advantage, that intention has been disappointed; it has succeeded as every public measure eternally will, which is founded in erroneous and unjust principles. A company chartered for the ostensible purpose of making good roads, and for facilitating inland communication, have widely different views; the avowed end is calculated to reconcile fools, (which unhappily make a majority without, as well as within,) to the measure. The real intention, end and aim of this turnpike gang, like bankers, is to make

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the most money they can right or wrong. They set to work, make superficial repairs, provide their gates and century-boxes at stipulated distances, and as soon as the road passes the sanction of some interested unprincipled inspectors, they commence the plunder of the way worn traveller. He is frequently unreasonably detained, often insulted and abused, and nine times out of ten pays for making the road worse instead of better. Thousands who were compelled to make long journies by land during the late war, will attest to the truth of this statement. It is not denied, but that there may be cases in which the local circumstances may be such, as to render it expedient for government to take a road or highway under their immediate guardianship and control, and circumstances may also render it just to demand a contribution from the traveller; but these cases are extremely rare, and when they do happen, a conscientious regard should be had to the rights of the people, and as soon as necessary improvements are made, such interference should immediately cease, and the rights of the people be restored.

The only legitimate object of all political institutions, is the advantage of the individuals who are to be immediately or remotely effected by them. All that cannot be made to centre in this national wealth, prosperity and glory, can be advantagious only to those self-interested impostors, who from the earliest account of time, have blinded, duped, and confounded the understandings of their fellow-men, the more easily to sink them into debasement and misery.

The desire to extend national improvements beyond what the genious, inclination and circumstances of the people will justify, is founded in error and prejudice: neither power or knowledge are happiness, nor can they contribute any thing towards producing it, unless they

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are accompanied with strict morality and virtue. Even the desire to promote the acquisition and dissemination of science, may become inordinate, and measures may be adopted to effect that purpose, totally incompatible with justice, virtue, or sound policy, and which will ultimately tend to oppress one part of the community. The poor man of merit may be, by political establishment, thrown into the back ground, and the most useful talents and worth, lost to society, while the graduated dunce is basking in the sunshine of public patronage and favour. It becomes us to desire that all men may be made wise, and it becomes us at the same time to desire that every political effort should be founded on such principles of equality, that every member of the political family might participate in the favour. Not that one part should be instructed, by hazarding the morality, happiness, and consequent, well being of the rest.

This leads me to make some observations on lotteries. They have generally been granted avowedly by legislatures, to obtain pecuniary aid for the promotion of some particular object, in which the interest of the community is materially concerned, the expense of which it seems is considered to be beyond the ability of the public to pay by fair and equal taxation. Government therefore, to avoid the abhorrent term taxation, institute a gambling system, in which they are sure to win the required sum, by indirectly bartering the virtue and morality of the people at large, for the promotion of objects local in effect and partial in operation. There are now lotteries in opperation for the promotion of medical science, opening roads, &c. I mean not to descend to all the minutia of this scene of legal gambling, but will marks its general character and effects. It seems then that government for the purpose of rais-

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ing some few thousands of dollars for the promotion of a favourite object, institute this game, appoint the managers to conduct it on their behalf, and challenge the public at large to engage in the play: but too impatient to wait the tardy movement of the public, they offer terms to some dashing speculators, to throw for the whole at once, and take the lot. These new proprietors, then divide and subdivide from halves to sixteenths. The original terms are altered and new arrangements made, and the original plan so improved, as to form a variety of games in such a manner, as to suit all ranks, characters, and conditions, from the chancellor to the chimney sweep; from ten dollars to five cents; and at every corner, in every street of city, town and village through the land, the eye is met with a lay-bill, *Lottery and Exchange Office*, inviting people to call and play, and the call is but too effectual, for we see them thronged with rich and poor, black and white, bond and free, father and son, mother and daughter, all engage with avidity in this nefarious gambling, all play and all loose, and the few who may chance to win are the most unfortunate. Thus by dexterous management, government wins fifteen per cent, and the other players, her deputies, eighty-five, and the whole country becomes a scene of gambling. Millions are sported away, and thousands of the citizens from this source, contract a habit of gambling and all its concomitant vices, that continue through life. Many who engage with timidity at first, by his own or his neighbours good luck grows bold, ventures larger, until at length he ventures all and loses all. The time and money squandered in this abominable manner since the Medical Science lotteries have been in operation, has been more than double to the amount gained by government, so that the fact po-

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sitively is, that instead of promoting medical science it has absolutely promoted a science of gambling, fraud and iniquity, by three times the amount. Thus government in their laudible zeal for the promotion of a particular science, are patronising and teaching by practice a science or art, ten thousand times worse in its moral effects, than all the bodily maladies incident to man.

"Whither by fates decree or natures curse,
The human race degenerate still to worse;
So the boats brawny crew the current stem,
And slow advancing, struggle with the stream;
But if they slack their hands or cease to strive,
Then down the flood with headlong haste they drive."

Admiting the assertions of the poet to be correct, and they are corroborated by high ecclesiastical authority, it most assuredly behoves those who pilot the political bark, to encourage the hearts and strengthen the hands of all orders of subjects, to strive against the torrent of immorality, which threatens a total inundation.

It is alledged that there are laws with severe penalties against vending policies or insuring on the numbers of tickets; that our pious legislature have taken all possible precaution to prevent this as well as all other vicious and immoral practices. This is just like a profligate father correcting his son for throwing the die while he holds the stakes and shares the winings. It has been before observed, that what is originally wrong never can be by legislative or any other authority made innocent and right; and legislatures by the inconsistency of their conduct and by the appointment of men to offices totally disqualified by ignorance and vice to fill them, have brought all laws however salutary into dis-

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respect, and authority into merited contempt. Laws necessary and salutary are trampled on with impunity; and that authority which ought to enforce, are frequently among those who infringe them. If the fountain is corrupt, it is impossible that pure streams should flow from it. But good sometimes arises out of evil. The manure of the agriculturalist stinks, but is of use; with it he feeds his hungary acres, it fertilizes his fields; and hence the labourers hope. From this iniquitous scene great crops are expected to grow. Two hundred learned sons of Esculapius, rising like vermin from putrefaction, are the annual anticipated harvest. A formidable auxiliary, sure to those already armed with pill and bolus, Lapes Inferni, Syringe, knife and saw, to attack the effects of luxury and vice. But can they amputate idle vicious habits, purge out crimes, and by their emetics compel the body politic to disgorge its corruptions? If so united with the humble, harmless teachers of religion and morality, these missionaries of science may do much, and the torrent of moral evil may meet a check. The acquisition of science is the developement of truth. Truth needs no auxiliary nor requires any ornament, nor yet any aid from political institutions. It requires nothing more from government than to be left to recommend herself by her native intrinsic excellence, and her votaries at full liberty to pursue. Every interference of legislative authority is puerile, impotent and worse than vain. It is the same as establishing by law, one orthodox sect for the promotion of a true system of religion. In every republic, where virtue and rectitude are the ruling principles, and on which their laws are founded, the advancement of science will keep pace with every other interest, and it would be absurd to push it faster. In an uncorrupted republic where merit is rewarded, or

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rather where merit is considered requisite in a public character, there are sufficient inducements to prompt men to the acquisition of science: and indeed there is a possibility of its out running itself. This has absolutely been the case in some of the eastern states, science has been a staple commodity; and indeed it has become what merchants term a drug in the market, and would have been still worse: it would have hung as a dead weight on society, were it not for the ignorance and stupidity of their western neighbours.

In framing laws for the promotion of any particular object, the strictest regard should be paid, not only to all the provisions of such laws, but to every possible circumstance bearing tendency and effect, either proximate or remote. Viewing it thus, if it appears that though the immediate effects will be salutary and desirable, yet the remote consequences will be probably pernicious and dangerous to the morality, and consequently, to the happiness of society, which will require the energetical interference of other laws. No object, however important and desirable, can justify their adoption. The law authorizing lotteries, is a most palpable case in point. The mischievous effects of this law, has been experienced to that degree, that legislatures have been induced to enact laws with uncommonly severe penalties, to restrain excesses to which this law has given birth: yet notwithstanding the unusual severity of the penalties of these restraining laws, in open day, in the face of authority, in the most public manner, a scene of gambling is carried on, disgraceful to any society calling itself civilized, much more christianized. And yet legislatures so far from removing the cause, they tell us with great self complaisance and approbation, that much greater sums may be raised by lotteries to augment the revenue. We may there-

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fore expect to hear of an office being established for the purpose of granting licences to policy offices. And since this vice cannot be restrained by law, it will be consistent with modern politics to make it profitable.

It is the duty of a patriotic government, to have its attention forever alive to the sentiments, manners, and habits of the people, to encourage such as are favourable to virtue, and to check in the bud, such as may lead to disorder, vice, and corruption. But how does their conduct correspond with this maxim? Government plays the part of an unnatural stepmother, not that of an effectionate parent, when she contents herself by vigorous punishments to revenge the commission of a crime, of which she has herself set the example and hung out a lure; instead of imbuing the mind with those principles of virtue, which would have rendered punishment unnecessary. Nothing can be more unquestionable, than that the manners and opinions of mankind are of the utmost consequence to the general welfare of society, for manners are nothing more than opinions carried out into action, and such as the fountain is, such will be the streams that proceed from it. In truth, the whole system of restraining laws under these circumstances is a perpetual struggle against the laws of nature and necessity. The minds of the people will in all instances be swayed by their own views and propensities: no project can be more absurd, than that of reversing those propensities by the interposition of law. He that should command a conflagation to cease, or a tempest to be still, would not display more ignorance of the system of the universe, than he, who with a code of penal laws, expects to restore a corrupted and vicious people, to temperance and virtue. The character of a state or nation, is not thus to be altered, when they are once debauched by the foul example of

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government; they never can be recovered to purity. Laws are an empty name when emenating from an impure source to operate upon a corrupted people.

All that is to be asked on the part of government in behalf of morality, virtue and science, is a clear stage upon which they may exert their own energies, to abstain from holding out incentives to vice, to lay some restraint on the violent disturbers of the peace of society, that their principles may go on undisturbed to their natural conclusion. There never was an instance where error unaided by power, ever triumphed over virtue and truth. Who would be guilty of the absurdity to believe that with equal arms, truth and virtue can ever be defeated.

It has been shown that it cannot be the duty of legislatures to do any thing detrimental to general happiness, and it appears with equal evidence that they have no right to do so. There cannot be a more absurd proposition than that which affirms the right of doing wrong. A mistake of this sort has been attended with the mest pernicious consequences in public and political assemblies. It cannot be too strongly inculcated, that legislatures are in no case empowered to establish absurdity and injustice; that though the people passively submit or assent to it, their submission or consent is not, as has been rediculously asserted, the voice of truth or the voice of God, nor can universal consent convert wrong into right.

After duly considering the nature and tendency of those laws which go to establish banking companies, turnpike companies, and lotteries, the reader cannot be surprised at the universal complaint of hard times, nor be at a loss respecting the causes that produce them. Hard times is a hackneyed saying, on that account it excites but little attention or interest, because it is

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familiar to all. It as old and as universal as the establishment of political government, which was its birthplace and its dam; and it is deplorably true, that it had its origin in the derelection of honest principles, by political hypocrites of the old world, whose example is strictly copyed by the political apostates of the new. Though the expression might have been in vogue from the first settlement of this country, it could have had no signification here, after the concomitant difficulties incidental and unavoidable in the settlement of a new world were surmounted; not until the fell monsters, ambition and avarice, reared their accursheads, obtained the seat, and corrupted the source of law, order and justice, and trampled with contempt upon the rights of the people. If the expression was used at all, it was founded on nothing more, than the imagination of the complainant, and the power rested with himself to remove the cause. The prudent industrious man was sure of a competency (though poor,) from the fruits of his labour. The impotent were comparitively few, and pauperism only historically known. The scene is changed, hard times do absolutely exist, and some of the immediate causes have been developed.

Let us pursue the inquiry a little farther, and see if there are not causes more remote, which have originated with ourselves, and which have contributed to produce the effects of which we complain. Self-examination is salutary, just and necessary, especially in those who censure the conduct of others. Have we not suffered ourselves to be deceived by political demagogues and impostors, into this fatal thraldom, which without our timely and vigorous exertions, will terminate in the total destruction of our invaluable republican institutions? Not that we have been careless and remiss, but that we

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have been guilty of a prostitution of the exercise of our political franchise, which has operated as a cause of the calamities which now beset, and which are fast maturing to overwhelm us. I mean the mode pursued by us for the appointment of men, to whom by our sufferages we delegate the powers of legeslation. Is it not the ease, that we suffer restless, weak and worthless partisans, to inflame our minds, and induce us to form ourselves into political associations, the obvious tendency of which, is to make a part stand for the whole.

A number of us sometimes more, and sometimes less, combine together. Our intention is sometimes avowed, but it is always with an intention or view to give to our opinions weight and operation, which the opinion of unconnected individuals cannot possess. A greater number, some from the urgency of their private affairs, some from a temper averse to concourse and confusion, and others from a conscientious disapprobation of the measures pursued, withhold themselves from such combinations. The acrimonious, the intemperate, and the artful, will generally if not always, be found among the most forward in matters of this kind. The prudent, the sober, the sceptical, and contemplative, those who have no resentments to indulge or gratify, and no selfish motive to promote, will keep aloof, or will be overborn and lost in this chaos. What justification can be set up, for a few persons, who thus, from mere impetuosity of temper occupy a post, the very nature and principles of which, are to pass themselves for something greater and of more importance than they are? Are we likely to promote our most important concerns by trusting them in such hands? Can we, or have we any reason to expect any thing but strife, peculation and corruption of the blackest sort, as the fruits of

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such combinations. Add to this, that associations for the promotion of one particular set of political tenets, has given birth to a counter association in favour of another. Thus we have involved ourselves in annual mischief, confusion and uproar, at our elections, which is a disgrace to humanity, and which savages would shrink from with laudible disgust.

Political improvement never can be effected or promoted but through the medium of the discovery of political truth, but truth never will be investigated where violence passion and weakness take the lead; to whatever property of the human mind, or accident affecting it, we are to ascribe the phenomenon, certain it is, that truth doth not lie on the surface; it is laborious and patient study and reflection that leads to its discovery. If therefore we are desireous to liberate ourselves or our neighbours from the influence of prejudice, we should suffer nothing but dispassionate argument to bear sway in the discussion.

The writings, tenets and arguments which offer themselves to public attention, should rest upon their own merits. No patronage, no recommendations, no list of venerable names of committee men to bribe our approbation and sufferage, no importunity to bestow on them our consideration, and to receive them with favor. These are however, small matters. It is much worse than this when the press is taken under the patronage of these political associations. The publications are far more pernicious. They are then perused, not to see whether what they contain be false or true, but that we may learn from them, how we are to think upon the subjects in which the leaders of our party wish to instruct us. Thus by our political societies, political sects are generated upon grounds not less irrational, than the superstitions which once induced men to worship bulls,

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cats, and onions, If we wish to arrive at political truth we must inquire and think for ourselves. If a hundred men spontaneously engage the whole energy of their faculties on the solution of a particular given question, the chance will be greater for success than if only five were engaged upon it, for the same reason the chance will also be increased, in proportion as the intellectual operations of these men are individual, and their conclusions are suggested by the reason of the thing under consideration, uninfluenced by any force, either by compulsion or sympathy. But in political associations, each of our objects are to indentify our creed with that of our party. We learn the shiboleth of our sect, and we dare not leave our minds at large in the field of inquiry, lest we should arrive at some tenet distasteful to our party. We have no inducement, no temptation to inquire. Party has a more powerful tendency, than perhaps any other circumstance in human affairs, to render the mind quiessant, ignorant and stationary. Instead of making each man an individual, which the good of the whole requires, it resolves all understandings into one common mass, and subtracts from each, all the varieties which could distinguish man from a bruit machine. Having learned the creed of our party, we have no longer any need of, or employment for those faculties which might lead to a detection of its errors. We have arrived in our minds and opinions at the last page of the volume of truth, and all that remains, is by some means to effect the adoption of our sentiments as the standard of truth, to the whole or a majority of the community. A necessary attendant on these political associations, is harangue and declamation. A majority look to these harangues, as the school in which they are to study, in order to become

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the reservoirs of practical truth to the rest of mankind. Harangues and declamation lead to passion and not to knowledge. The memory of the hearer is crowded with pompous nothings, with images not arguments. He is never permitted to be sober enough to weigh the subject with an unshaken hand. Truth dwells with contemplation. When hope and fear triumph, and resentment is perpetually afloat, the faculties of reason and investigation are compelled to quit the field.

What then have we reason to expect from our representation when they are formed from the most prominent characters in those combinations of ignorance and corruption? If we reflect on and examine maturely the conduct of the majority of our legislature in their last session we must be convinced of the propriety of the forgoing observations, and and also feel a conviction of our own errors, in placing confidence in men totally unworthy of it. Compare the apparent zeal with which they set about correcting the evils resulting from bank institutions, and the disordered state of our currency, with the final result of their proceedings thereon and form your own conclusions. The only remedy for the enormeties heretofore partially and imperfectly described is alone to be found in the virtue and unanimity of the great body of the people, as has been before hinted. On a due exercise of their constitutional powers and rights (while they are allowed to retain them,) rests the the fate of our invaluable republican institutions. We must if we wish for reformation, turn our attention to men of totally different characters from those who have hitherto enjoyed our preference, to men belonging to no political faction, to men of immoveable patriotism, to men whose liberal and comprehensive minds are capable of viewing, weighing, and equally balancing the

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interests of the whole political family, who will strive to suppress all vice and immorality, and as far as the nature of human affairs will permit, to remove every incentive to it, and who never will consent to sacrifice the interest of ninety-nine parts, to the interested views of the hundreth, by making them tributary to that end; neither consent, directly to barter the morals of the people to promote the splendour of empiricism,* legalize ignorance, or make stupidity pass for native worth and scientific excellence, nor authorize monopoly and robbery.

SEVENTY-SIX.

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* Those critics who are disposed to find fault with this phraseology, are informed that this work is not designed to enlighten the wise or instruct the learned.

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